

# HOUSE BILL REPORT

## SB 5268

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### As Reported by House Committee On: Local Government

**Title:** An act relating to assumption by a code city with a population greater than one hundred thousand of a water-sewer district with fewer than two hundred fifty customers.

**Brief Description:** Allowing assumptions of water-sewer districts by code cities.

**Sponsors:** Senators Esser and Kastama.

#### **Brief History:**

##### **Committee Activity:**

Local Government: 3/17/05, 3/21/05 [DP].

#### **Brief Summary of Bill**

- Permits the assumption of a water-sewer district with fewer than 250 customers by a code city with more than 100,000 persons, even though no part of the district is within the corporate boundaries of the city.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 7 members: Representatives Simpson, Chair; Clibborn, Vice Chair; Schindler, Ranking Minority Member; Ahern, Assistant Ranking Minority Member; B. Sullivan, Takko and Woods.

**Staff:** CeCe Clynch (786-7168).

#### **Background:**

Current law sets forth legislative and electoral mechanisms, based upon geographic location and property valuation, for the assumption of jurisdiction of water-sewer districts (district) by cities or towns:

- Whenever all of the territory of a district is located within the corporate boundaries of a city, the city legislative body may adopt a resolution or ordinance to assume jurisdiction over the entire district.
- Whenever a portion of a district equal to at least 60 percent of its area, or 60 percent of the assessed valuation of the real property lying within the district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another

city. Related statutes specify that under certain circumstances the district may, upon a favorable vote of a majority of all voters within the district, require a city to assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district.

- Whenever the portion of a district included within the corporate boundaries of a city is less than 60 percent of the area of the district and less than 60 percent of the assessed valuation of the real property within the district, the city may assume, by ordinance, jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city. The city may also assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district upon a favorable vote of a majority of all voters within the district.
- Whenever more than one city, in whole or in part, is included within a district, the city which has within its boundaries 60 percent or more of the area of the assessed valuation of the district may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities and equipment within such other city.

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### **Summary of Bill:**

A district with a population less than 250 on the effective date of this bill may provide, through its board of commissioners, for assumption of the district by a code city with a population more than 100,000 on the effective date of this bill. The city council must also provide, and the assumption must be accomplished, pursuant to contractual terms and conditions set forth in RCW 35.13A.070. No part of the territory of the district need be within the boundaries of the city. Both the contract and the assumption must be approved by resolution of the district board and by ordinance adopted by the city council.

If the district has no indebtedness or monetary obligations on the date of the assumption, the city may only use any surplus funds of the district for water services delivered to the district or water facilities built within the district, unless the contract between the district and the city specifically provides otherwise.

Either the district, or the city, or both, may provide for dissolution of the district pursuant to RCW 35.13A.080. That statute provides that dissolution proceedings may be initiated by either the city, or the district, or both. In the case of an agreed upon dissolution with an agreed upon distribution of assets and liabilities, a court hearing is not required and the court may enter an order of dissolution according to the terms agreed to by the district and the city. If the dissolution is commenced by only the city or the district, or if the two do not agree with respect to distribution of the assets and liabilities, provision is made for notice and a hearing before the superior court. The court may enter an order of dissolution and decide upon the distribution of assets and liabilities or the court may decline to dissolve the district, in which case the court must state its reasons.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This is a very narrow bill pertaining to voluntary assumption of a small district which lies outside of the city boundaries. One half of Yarrow Point has a district with an aging infrastructure. The district would like to be assumed by Bellevue. There is a long-term contract currently in effect between the district and the City of Bellevue, but both parties would prefer an assumption. Because the district is outside of the city boundaries there is a need for legislation specifically permitting such a voluntary assumption.

**Testimony Against:** None.

**Persons Testifying:** Senator Esser, prime sponsor; Bob Mack, City of Bellevue; and Joe Daniels, Washington State Association of Sewer and Water Districts.

**Persons Signed In To Testify But Not Testifying:** None.